

Estimated Tax Revenue Impact Calculations
All "somewhat likely" projected to make claim Conservation Measures

FY 2002 Quarter	Average Deduction*	Number of Utilities	Total PUT Deductions	Calendar Year	
1	\$ 25,343	13	\$ 329,459	2001	(actual tax data)
2	\$ 25,343	21	\$ 532,203	2001	
3	\$ 25,343	39	\$ 988,377	2002	
4	\$ 25,343	57	\$1,444,551	2002	
Total			\$3,294,590		

FY 2003					
1	\$ 25,343	57	\$1,444,551	2002	
2	\$ 25,343	58	\$1,469,894	2002	
3	\$ 25,343	60	\$1,520,580	2003	
4	\$ 25,343	60	\$1,520,580	2003	
Total			\$5,955,605		

* Average deduction based on 1st qtr tax information. A total of 13 utilities claimed \$329, 466 in deductions for an average of \$25,343 per utility.

Conservation PUT Deduction			
Fiscal Year	Tax Rate	Total Deduction	Revenue Loss
2002	5.03%	\$3,294,590	\$ 165,685
2003	5.03%	\$5,955,605	\$ 299,507
Total			\$ 465,192

Revenue Loss = tax rate x total deductions claimed

Number of utilities projected to claim conservation deduction:

Survey Question 18: In 2002, 21 very likely to claim; 36 somewhat likely

Survey Question 19: In 2003, 24 very likely to claim; 36 somewhat likely

Assume all "very likely" and "somewhat likely" will actually file claim

By end of calendar year 2002, estimated number making claim= 21+36=57

By end of calendar year 2003, estimated number making claim= 24+36=60

Reclaimed Water PUT Deduction			
Fiscal Year	Projected Revenue	Exclusion	Revenue Loss
2002	\$40,000	\$30,000	\$1,509
2003	\$130,000	\$97,500	\$4,903
Total			\$6,412

Exclusion = 75% of income from reclaimed water sales

Revenue loss = .05029 * exclusion